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SUBJECT: Read-out from Beijing on the
China-Africa Forum

REF: BEIJING 2447

Summary

1. (SBU) Qiu Bohua, China's Ambassador for the Forum on China-Africa Cooperation (FOCAC) held November 6-9 in Egypt, told Emboffs November 23 that China pledged USD 10 billion in new concessional loans to Africa, to be distributed via bilateral channels. For Africa's least developed countries (LDC), China offered debt relief on all loans maturing in 2009 and said it would also start to phase in zero tariff treatment on 95 percent of African products, 60 percent of which would take effect in 2010. China also announced a China-Africa partnership on climate change, a partnership on science and technology and further cooperation on agriculture, health, education and cultural exchanges. Chinese Foreign Minister Yang Jiechi presented a report on the implementation of the outcomes of the 2006 Beijing Summit. Egypt will continue to serve as FOCAC's African co-chair to organize the next forum in China in 2012. A proposal by some African countries to make the African Union (AU) the secretariat on the African side was not approved. Separately, an international organization contact who attended the Forum as an observer told Emboffs that African countries took advantage of the meeting to express frustration with the large numbers of Chinese workers used by Chinese enterprises in Africa. END SUMMARY.

Attendees

2. (U) In addition to Chinese Premier Wen Jiabao, high-level attendees to the 2009 FOCAC meeting included 10 presidents, 3 vice-presidents, and 2 prime ministers from the 49 African countries that have diplomatic relations with the PRC. (Note: Burkina Faso, Swaziland, The Gambia and Sao Tome and Principe do not recognize Beijing and therefore do not participate in FOCAC.) African heads of state present were Egyptian President and host Hosny Mubarak, Sudanese President Omer al-Bashir, Zimbabwean President Robert Mugabe, Republic of Congo Prime Minister Adolphe Muzito, Liberian President Ellen Johnson Sirleaf, Ethiopian Prime Minister Meles Zenawi and Central African Republic

President Francois Bozize. Many African foreign ministers and ministers of trade were also in attendance, as well as Chinese Foreign Minister Yang Jiechi and Minister of Commerce Chen Deming.

¶3. (SBU) One participant, observing on behalf of an international organization, reported that at least 9 international organizations had been invited to the Forum, but only at the last minute. Representatives from the African Development Bank, West African Development Bank, Food and Agriculture Organization, World Bank, United Nations Development Program, and the World Food Program did attend the event as observers. Places for United Nations Educational, Scientific and Cultural Organization, World Health Organization, and World Trade Organization remained empty. No observers from non-African, non-Chinese governments participated.

Eight New Measures

¶4. (U) The highlight of FOCAC took place during the opening ceremony, when Premier Wen Jiabao announced the following eight new measures for China's engagement with Africa:

- Establishing a China-Africa partnership in addressing climate change. China said it would enhance cooperation on satellite weather monitoring, development and utilization of new energy sources, prevention and control of desertification and urban environmental protection. China will build 100 clean energy projects (solar, bio-gas, and small-

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scale hydropower) in Africa.

- Launching a China-Africa science and technology partnership. China said it would carry out 100 joint demonstration research projects with Africa and receive 100 African postdoctoral fellows to conduct scientific research in China.

- Helping finance African development. China pledged to provide USD 10 billion in concessional loans to African countries, and support Chinese financial institutions in setting up a special USD 1 billion fund for lending to small- and medium-sized African businesses. For the heavily indebted and least developed countries in Africa that recognize Beijing, China said it would cancel their debts associated with interest-free government loans due to mature by the end of 2009.

- Further opening its market to African products. China committed to phase in zero-tariff treatment for 95 percent of the products it imported from African LDCs that had diplomatic relations with Beijing, starting with 60 percent of such products in 2010.

- Further enhancing agricultural cooperation. China said it would increase the number of its agricultural technology demonstration centers in Africa to 20, send 50 agricultural technology teams to Africa and train 2,000 agricultural technology personnel for Africa, in order to help boost the continent's food security.

- Deepening cooperation on medical care and health. China vowed to provide medical equipment and anti-malaria materials worth 500 million yuan (USD 73.2 million) to the 30 hospitals and 30 malaria prevention and treatment centers built by China in Africa and train 3,000 African doctors and nurses.

- Enhancing cooperation in human resources development and education. China said it would build 50 schools and train 1,500 African school principals and teachers. By 2012, China would increase the number of Chinese government scholarships to Africa to 5,500, and would train

20,000 African professionals over the next three years.

-Expanding people-to-people and cultural exchanges. China proposed to launch a China-Africa joint research and exchange program to increase exchanges and cooperation, share development experience, and provide intellectual support for formulating better cooperation policies by the two sides.

Follow-up from FOCAC 2006

15. (U) After Premier Wen's announcement of what was in store for China's African friends going forward, PRC Foreign Minister Yang Jiechi presented a report on Chinese implementation of the commitments it had made at the 2006 Beijing FOCAC Summit, almost all of which he claimed had been met (see reftel for more on China's 2006 FOCAC commitments, and <http://www.fmprc.gov.cn/zflt/eng/zxxx/t627504.htm> for the full text of FM Yang's report). Yang's report highlighted the trade and investment numbers. Direct investment by Chinese businesses in Africa between 2006-2009 totaled USD 5.4 billion, and two-way trade topped USD 106.8 billion in 2008, 2 years ahead of the 2006 goal of reaching USD 100 billion by 2010.

16. (U) Under the category of development assistance and debt relief, China reported that they had delivered USD 2.647 billion of concessional loans to support 54 projects in 28 countries and USD 2 billion in preferential export buyer's credit to support 11 projects in 10 countries. China also had signed protocols on debt cancellation with 33 African LDCs to write off debts that matured at the end of 2005.

17. (U) Since 2006, the Chinese Government had doubled the fellowship quota for African countries, with 4,000 African students now studying as fellows in China. China had opened 23 Confucius Institutes

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or classrooms in 16 African countries; had started construction of 91 out of the 96 schools pledged; had started construction on 26 of the 28 hospitals pledged; and had opened 30 malaria prevention and treatment centers. In addition, China had provided anti-malaria medicine to 36 African countries seriously affected by malaria for three consecutive years, had sent 1,200 medical workers to 42 African countries and regions and provided a large amount of medicine and medical devices.

Details of China's new commitments

18. (SBU) MFA FOCAC Ambassador Qiu BoHua explained to emboffs on November 23 that the USD 10 billion in concessional loans made available by China (see para 4) would be made available on a first-come-first-serve basis. African governments could submit proposals via the Chinese Embassies in their capitals. These proposals would subsequently be evaluated by MOFCOM and China's EXIM Bank, which would then decide whether to provide the financing. Qiu said that China would be open to considering regional projects, but that it was up to the African countries themselves to design and forward such proposals. He stressed that the implementation of FOCAC commitments would continue to be carried out bilaterally.

19. (SBU) Ambassador Qiu told emboffs that the new partnerships on climate change and science and

technology would focus on clean energy and technology transfer, with China's Ministry of Science and Technology taking the lead on plans to hold a separate S and T forum with African counterparts in the near future.

¶10. (SBU) Ambassador Qiu said that China had doubled aid to Africa from 2006 to 2009, but would not share any hard numbers, saying that these were hard to calculate because China used different criteria to quantify development aid. He said that China was open to U.S.-China cooperation on assistance to Africa.

AU as African Secretariat?

¶11. (SBU) Egypt, which served as the chair for the 2009 FOCAC that it hosted, will remain co-chair (with China) through the next FOCAC to be held in China in 2012. Ambassador Qiu explained that Egypt's role was simply to manage organizational details. The Africans currently had no FOCAC secretariat, Qiu asserted, but during the November meeting, a group of African countries proposed making the African Union (AU) the secretariat for their side. According to Qiu, this proposal was not accepted because Morocco, the only African country that is not a member of the AU, objected. In a separate meeting with econoffs, however, an African diplomat who was in Sharm-el-Sheikh for the meeting offered a different explanation. He said the PRC government was not "comfortable with this idea" and needed some time to consider it. An observer from an international organization remarked that Egypt also opposed the AU proposal because it challenged Egypt's current role as African Chair.

Other African Gripes

¶12. (SBU) Our international organization contact who was an observer at FOCAC told econoffs that African countries took advantage of the meeting to express their frustration with the large numbers of Chinese workers used by Chinese enterprises in Africa. In addition, some African countries also suggested a greater role for regional organizations in future FOCAC meetings.